UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX – PACIFIC SOUTHWEST REGION
75 Hawthorne Street
San Francisco, CA 94105-3901

OCT 25 2019

Mr. Jay Rao
Environmental Engineer
Dos Cuadras Offshore Resources, LLC
290 Maple Court, Suite 290
Ventura, CA 93003

Re: Clean Water Act Compliance Evaluation Inspection

Dear Mr. Rao:

Enclosed is the report for the August 20, 2019 inspection of the DCOR Platform Henry NPDES Permits CAG280000 and CAF001301. Please provide written response to the Areas of Concern section of this report by December 9, 2019, as well as identify any factual disputes within the report. Email your response to Michael Weiss of my staff.

We would like to thank you for your cooperation during the inspection. If you have any questions, please call Michael Weiss at (415) 947-4570 or e-mail him at weiss.michael@epa.gov.

Sincerely,

Eric Magnan
Manager, Water Section I
Enforcement & Compliance Assurance Division

Cc: Kevin Bramley, DCOR
James Salmons, BSEE

EPA United States Environmental Protection Agency

Region 9 Enforcement Division
75 Hawthorne Street
San Francisco, CA 94105

Inspection Date(s):	August 20, 2019		
Time:	**Entry:** 7:30 am	**Exit:** 10:30 am	
Media:	Water		
Regulatory Program(s)	Clean Water Act NPDES		
Company Name:	Dos Cuadras Offshore Resources, LLC (DCOR)		
Facility or Site Name:	Platform Henry		
Facility/Site Physical Location:	Platform Henry, Pacific Ocean Lease OCS-P-0240		
Geographic Coordinates:	34°20'5.11"N, 119°33'11.44"W		
Mailing address:	290 Maple Court, Suite 290 Ventura, CA 93003		
Facility/Site Contact:	Jay Rao	**Title**: Environmental Engineer	
	Phone: 805-535-2078	**Email**: jrao@dcorllc.com	
Facility/Site Identifier:	NPDES Permits CAG280000 and CAF001301		
NAICS:	211111 - Crude petroleum and natural gas extraction		
SIC:	1311		
Facility/Site Personnel Participating in Inspection:			
Name	Affiliation	Title	Email
Jay Rao	DCOR	Environmental Engineer	jrao@dcorllc.com
James Ferrara Jr.	DCOR	Lead Operator	Not provided
Kevin Bramley	DCOR	Foreman	kbramley@dcorllc.com
EPA Inspector(s):			
Michael Weiss	US EPA	Environmental Engineer	Weiss.Michael@epa.gov
Adam Howell	US EPA	Environmental Engineer	Howell.Adam@epa.gov
Inspection Report Author:	Michael Weiss		415-947-5470
	Michael Weiss		**Date:** 10/18/19
Supervisor Review:	Eric Magnan		415-947-4179
	ERIC MAGNAN Digitally signed by ERIC MAGNAN Date: 2019.10.18 12:39:53 -07'00'		**Date:**

SECTION I – INTRODUCTION

I.1 Purpose of the Inspection

On August 20, 2019, Michael Weiss and Adam Howell from the U.S. EPA Region 9 Enforcement Division (hereafter, we or inspection team) conducted a Clean Water Act (CWA) National Pollutant Discharge Elimination System (NPDES) inspection of the DCOR, LLC (DCOR or Discharger) – Platform Henry (hereafter, Facility or Platform) offshore oil and gas platform. The purpose of the inspection was to evaluate compliance with the requirements of the EPA Region 9 NPDES Permit Nos. CAG280000 and CAF001301 (hereafter, Permit).

During the inspection we evaluated the accuracy and reliability of the Discharger's self-monitoring and reporting program and the Facility onsite generated waste streams, treatment processes, and discharges to the Pacific Ocean. The announced inspection consisted of two parts: a records review and a general Facility walk through. The onsite Facility Representatives were Jay Rao (Environmental Engineer, DCOR), James Ferrara Jr. (Lead Operator), and Kevin Bramley (Foreman). Upon arriving at the Platform on August 20, 2019, we met with the Facility Representatives, and presented our CWA credentials and explained the purpose of the inspection.

SECTION II – FACILITY / SITE DESCRIPTION

II.1 Facility Description

Platform Henry is located in the Santa Barbara Channel and produces oil and gas from the Carpinteria Offshore Field (Lease OCS-P-0240). The Platform was first installed in August 1979 and began production in May 1980. Platform Henry is approximately 4.3 miles from land, has 24 well slots, and is at a water depth of 173 feet. As of October 1, 2017, Platform Henry has a cumulative oil production of 20,076,000 bbls (barrels) and cumulative gas production of 15,075,000 mcf (thousand cubic feet).

At the time of the inspection, the Facility was in "production" operations, actively recovering hydrocarbons from the field formation. According to Facility Representatives at the time of the inspection, the Facility is producing approximately 390-400 bbls of oil per day. Facility Representatives stated that at the time of the inspection, the following NPDES discharges occur or may occur from the Facility:

- Deck Drainage (Discharge 004)
- Sanitary and Domestic Wastes (Discharge 005)
- Desalination Unit Wastes (Discharge 007)
- Fire Control System Water (Discharge 008)

II.2 Wastewater Sources

Note the discharge number (i.e., Discharge 002) referenced throughout this report refers to the type of wastewater discharged at the corresponding outfall point as designated in the Permit. A general description of the process train(s) for each of the above-mentioned discharges is described below:

Produced water (Discharge 002) is water (brine) associated with the extraction of oil and gas from the hydrocarbon-bearing strata which may include formation water, injection water, oil emulsions, and any chemicals added downhole or during the oil/water separation process. Produced water and oil and gas is routed to two two-phase production separators (Gross Oil Separator #1 and Gross Oil Separator #2). According to Facility Representatives, produced water (also known as gross fluid) is not discharged from Platform Henry, but instead the produced water is pumped to Platform Hillhouse where the produced water is separated from the oil and then injected back into the production well for enhanced oil recovery (EOR). Any oil or natural gas separated on Platform Henry are piped off the platform via designated pipelines.

Deck drainage (washdown, rainwater, drip pan and work area drains – Discharge 004) is collected throughout the platform via floor drains into two sump tanks on the Subdeck. The top most platform level (Drill Deck) and next level (Production Deck) are where the majority of oil related operations occur and are enclosed with berms and floor trenches (Photograph 1) that flow to the two sump tanks on the Subdeck. The sump tanks operate via automatic level sensors that pump all deck drainages into the two two-phase production separators with the produced water. Facility Representatives stated that there is no discharge of Deck drainage at Platform Henry.

Sanitary Wastewater (Discharge 005) is treated onsite at the Facility with a redFox environmental marine sanitation device (MSD) Fox Pac Model No. RF-500-FP, Serial No. 5573, which is United States Coast Guard (USCG) approved (Photograph 3). The treated water is discharged (Discharge 005) to the Pacific Ocean via a pipe within a pylon (refer to Photograph 4). The onsite Facility representatives stated that the daily discharge water flow rate is estimated based on the number of people on the platform and the time spent per person. The MSD unit is sized for a maximum of 500 gallons per day (gpd).

Desalination (i.e., reverse osmosis) unit wastewater (Discharge 007) is generated during the process of creating freshwater from saltwater. According to onsite Facility representatives, the desalination unit (Photograph 2) only provides water to sinks and showers at the Facility.

Fire control system water (seawater released during training, testing, and maintenance of fire protection equipment – Discharge 008) is composed of pure seawater that is constantly circulating throughout the Platform. The Fire control water is comingled with the desalination reject wastewater (Photograph 5) and is discharged without treatment.

II.3 Wastewater Treatment

Sanitary wastewater (Discharge 005) is the only wastewater stream to be treated onsite at the Facility. Discharge 005 is treated via a redFox MSD (Photograph 3). The self-contained treatment system is composed of an aeration chamber, flocculation, solids settling, media

filtration, and disinfection. The Platform uses chlorine tablets for disinfection and checks the chlorine residual daily. The MSD is serviced annually by a contractor.

Domestic and Sanitary Wastes (Discharge 005), Footnote 2, of the Permit states "any facility which properly operates and maintains a marine sanitation device (MSD) that was certified by the United States Coast Guard (USCG) under Section 312 of the Act shall be deemed to be in compliance with permit limitations for sanitary wastes and the requirements for total residual chlorine do not apply."

II.4 Compliance History

Discharge Monitoring Reports (DMRs) reviewed by the inspection team did not indicate any reported effluent violations during the period of review (July 2016 through July 2019). During that time period there were no reported discharges of produced water (Discharge 002) or deck drainage (Discharge 004). All other sources of wastewater discharge (sanitary, desalination, and fire control system) were in compliance.

SECTION III – OBSERVATIONS

1. During the Facility walk through, we observed the Facility's chemical storage area on the Drill Deck. Chemicals stored on the Drill Deck included corrosion inhibitor, parrafin oil, hydraulic oil, oxygen inhibitor, and scale inhibitor. These chemicals were stored in metallic tanks that ranged in size from 200-300 gallons and were hard plumbed to the production wells.

2. The Facility indicated that they may begin drilling in the next seven years. The Platform should be sure to communicate updates regarding drilling to EPA and other applicable regulatory agencies when more is known about drilling commencing again. The Facility should also make sure it complies with the areas of its NPDES Permit that relate to drilling.

3. The NPDES permit, daily reports, and DMRs were all well organized and readily available on an electronic share drive accessible on the Platform.

4. We observed the two, newly painted, sump tanks on the Subdeck, which receive deck drainage wastewater prior to being pumped to two-phase production separators. The Facility Representatives stated that they now prefer pneumatic needling instead of sandblasting to prep equipment for painting.

5. We observed the natural gas, separated oil, and gross fluid pipelines leaving the Platform (Photograph 6).

SECTION IV – AREAS OF CONCERN

The presentation of areas of concern does not constitute a formal compliance determination or violation.

1. There was rust and corrosion present throughout the Platform. While this is to be expected in a harsh marine environment, the Facility should ensure that the corrosion does not negatively impact that operations of the Platform and its ability to comply with the Clean Water Act.

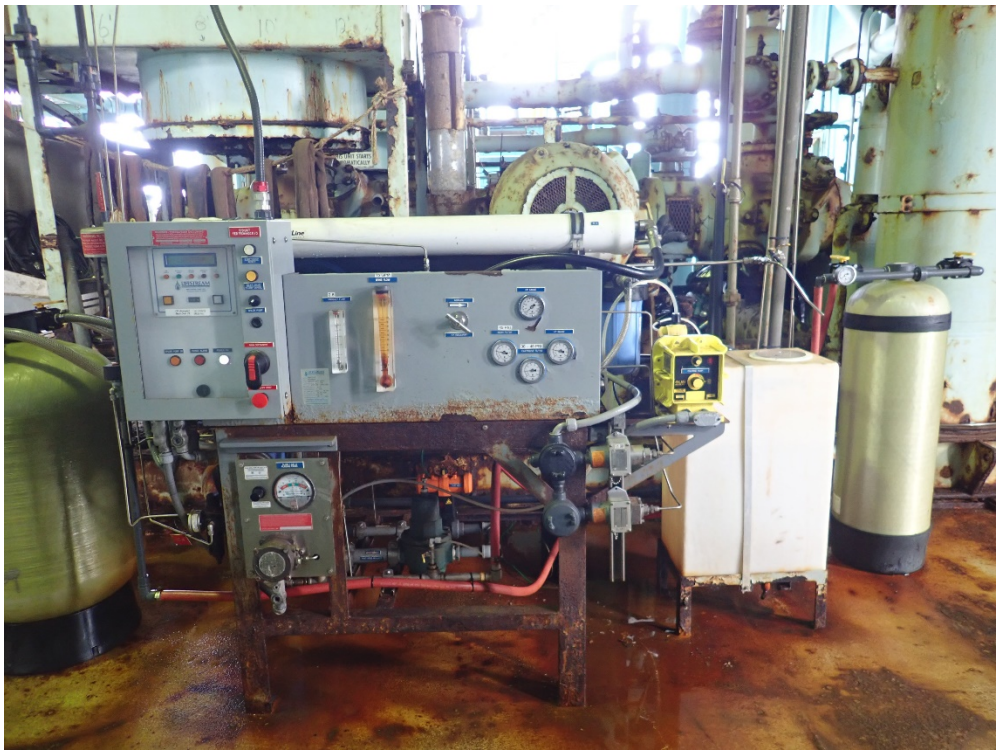
SECTION V – DOCUMENTS REQUESTED DURING INSPECTION AND ANALYTICAL RESULTS

APPENDICES

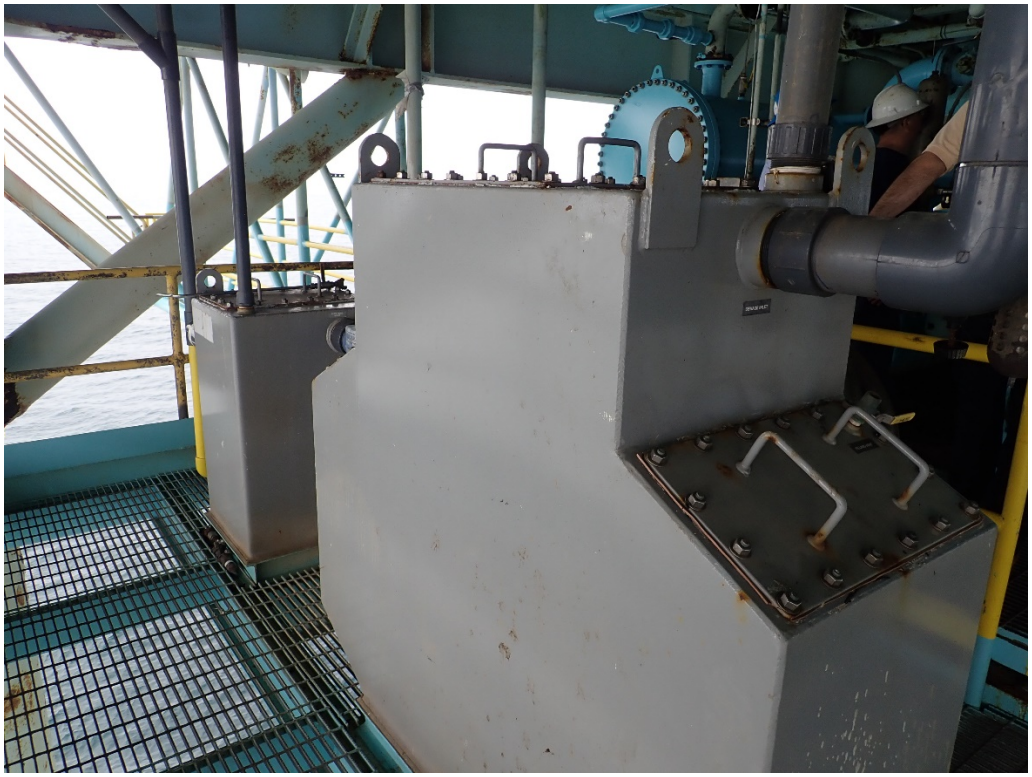
Appendix 1 – Photograph Log

The photographs were taken during the inspection by Adam Howell using an Olympus Tough TG-5 Digital Camera. Original copies of the photos are maintained by EPA Region 9.

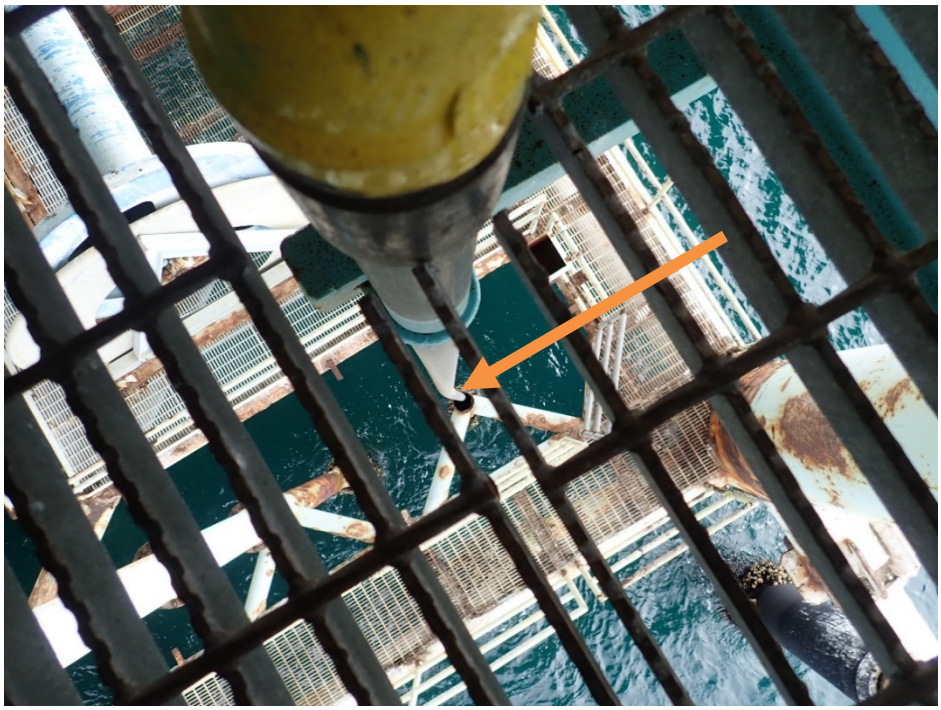
Photograph 1: Production Deck floor trench drainage



Photograph 2: Desalination reverse osmosis (RO) water treatment system

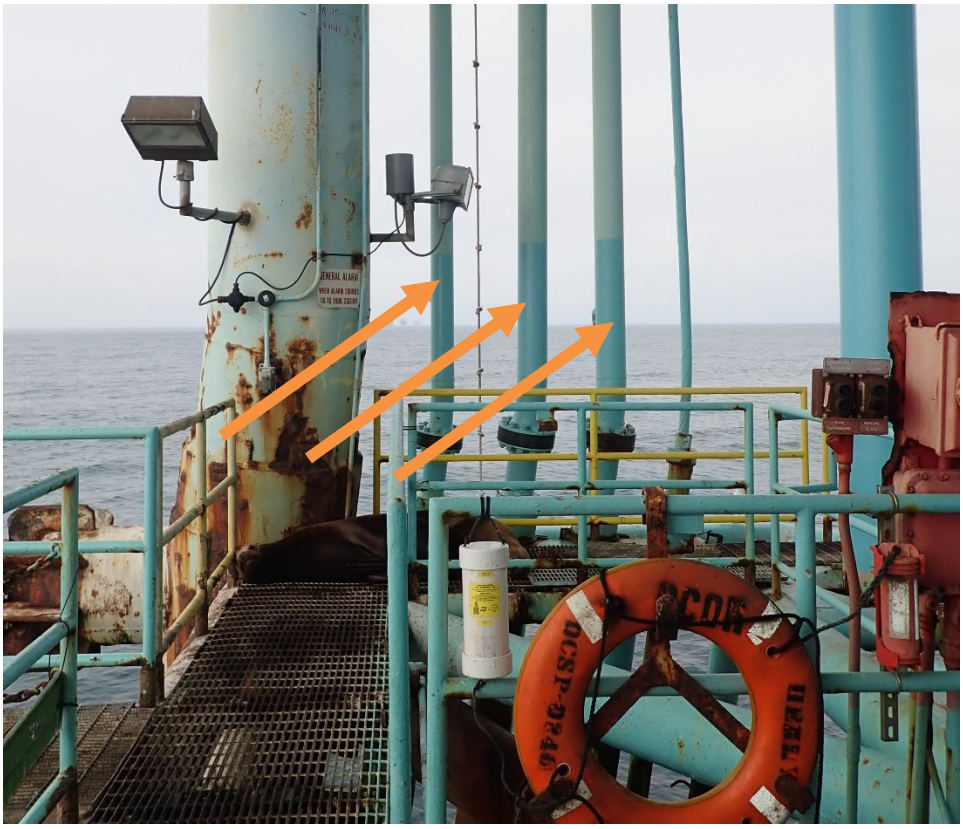


Photograph 3: RedFox Marine Sanitation Device



Photograph 4: Marine Sanitation Device discharge location into pylon

Photograph 5:Discharge pipe of RO reject and Fire Control wastewater



Photograph 6: Natural gas, separated oil, and all gross fluid pipelines (from left to right) leaving the Platform